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1991/02/25

CONFIDENTIAL

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ACTION EAP-01

INFO LOG-00 ADS-00 AIT-03 CIAE-00 COME-00 INRE-00 INR-02 LAB-04 NSAE-00 OPM-01 HA-09

CTME-00

EB-01

TRSE-00 /040W STR-18

------45FF4D 252230Z /66

R 250901Z FEB 91 FM AMCONSUL GUANGZHOU TO SECSTATE WASHDC 7081 INFO RUEHBJ/AMEMBASSY BEIJING AMCONSUL SHANGHAI AMCONSUL SHENYANG AMCONSUL HONG KONG AIT TAIPEI 0767

DEPARTMENT OF STATE IMIPS/CRAR HALL Date: () DECLASSIFY EO Citations () REILASE () EXCISE () DENY IN PART

FOIA Exemptions 61,64 () CLASSIFY as () S or () C Sec.

PA Exemptions () DOWNGRADE TS to () S or () C

CONFIDENTIAL GUANGZHOU 01143

BEIJING PLEASE PASS CHENGDU

E.O. 12356: DECL:OADR

TAGS: PHUM, ELAB, ETRD, CH

SUBJECT: CHINESE PRISON PRODUCTS EXPORTED TO THE U.S.

REFS: A) GUANGZHOU 84, B) HONG KONG 1622

- 1. CONFIDENTIAL ENTIRE TEXT.
- 2. SUMMARY. CONSULATE OFFICERS VISITED THE SITE WHERE PREVIOUS REPORTS SUGGEST A CHINESE PRISON IS MANUFACTURING SHOES FOR EXPORT CONFIDENTIAL

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GUANGZ 01143 250902Z (THROUGH HONG KONG) TO THE U.S. WHILE NOT ALLOWED ENTRY INTO THE "FACTORY," THE OFFICERS GOT CLOSE ENOUGH TO VERIFY, BY TALKING TO AN ARMED GUARD, SHOES ARE BEING MANUFACTURED AT THE SITE. THE APPEARANCE OF THE BUILDING ALSO SUGGESTED IT WAS NOT A NORMAL FACTORY. BASED UPON THIS AND OTHER EVIDENCE, WE BELIEVE THIS LOCATION IS A PRISON MANUFACTURING PRODUCTS WHICH ARE EXPORTED TO THE U.S. END SUMMARY.

3. TWO CONSULATE OFFICERS ON SUNDAY, FEBRUARY 24, VISITED THE GUANGZHOU SITE OF THE "FACTORY" DESCRIBED IN REFS A AND B AS A PRISON MAKING SHOES FOR

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EXPORT TO HONG KONG AND THE U.S. THE NAME OF THE FACTORY IS THE "FLOWER CITY LEATHER SHOE FACTORY" (HUACHENG PIXIE CHANG). IT IS LOCATED AT NO. 14 NANJING ROAD NEARBY THE WORKERS' STADIUM AND ONLY A FEW MILES FROM THE CONSULATE. THE SITE IS A COMPOUND WITHIN A COMPOUND. ON THE FIRST GATE, WHICH IS NOT GUARDED, IS A SIGN WITH THE FACTORY'S NAME IN LARGE CHARACTERS. THE SECOND GATE WAS GUARDED AND APPEARED SECURE. IT WAS A FEW HUNDRED FEET WITHIN THE COMPOUND.

4. THE CONSULATE OFFICERS TALKED WITH A SOLDIER STANDING GUARD WITHIN THE COMPOUND. HE WAS CARRYING AN AUTOMATIC WEAPON. WITHOUT ANY PROMPTING, HE VOLUNTEERED THE INFORMATION CONFIDENTIAL

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THE "FACTORY" INSIDE THE COMPOUND HAS A
"FOREIGN" CONCERN WHICH MANUFACTURED SHOES.
DURING THIS BRIEF CONVERSATION, AN OFF-DUTY
MILITARY OFFICER WALKED UP AND TOLD
THE CONSULATE OFFICERS THEY COULD GO NO
FURTHER INTO THE COMPOUND.

5. COMMENT. THE CONSULATE OFFICERS GOT CLOSE ENOUGH TO THE "FACTORY" TO SEE THE MAIN BUILDING. WHILE THEY COULD NOT CONFIRM THE BUILDING WAS A PRISON, THE ENTRANCE DID NOT SUGGEST A NORMAL FACTORY.

BI B6

THE FACTORY IS USING PRISON LABOR AND THE SHOES PRODUCED THERE ARE, IN PART, EXPORTED TO THE U.S. BASED UPON THE INFORMATION REPORTED IN REFS A AND B PLUS THE VISIT BY OUR OFFICERS, WE BELIEVE THIS LOCATION IS A PRISON MANUFACTURING PRODUCTS WHICH ARE EXPORTED TO THE U.S. END SUMMARY.

HARTER

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL